



Sen. Jeffrey M. Schoenberg

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09600SB3382sam001

LRB096 20475 AMC 39036 a

1 AMENDMENT TO SENATE BILL 3382

2 AMENDMENT NO. _____. Amend Senate Bill 3382 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Insurance Code is amended by
5 changing Section 126.5 as follows:

6 (215 ILCS 5/126.5)

7 Sec. 126.5. Prohibited investments. An insurer shall not,
8 directly or indirectly:

9 A. Invest in an obligation or security or make a guarantee
10 for the benefit of or in favor of an officer or director of the
11 insurer, except as provided in Section 126.6;

12 B. Invest in an obligation or security, make a guarantee
13 for the benefit of or in favor of, or make other investments in
14 a business entity of which 10% or more of the voting securities
15 or equity interests are owned directly or indirectly by or for
16 the benefit of one or more officers or directors of the

1 insurer, except pursuant to a transaction entered into in
2 compliance with Section 131.20a of this Code or provided in
3 Section 126.6;

4 C. Engage on its own behalf or through one or more
5 affiliates in a transaction or series of transactions designed
6 to evade the prohibitions of this Article;

7 D. (1) Invest in a partnership as a general partner,
8 except that an insurer may make an investment as a general
9 partner:

10 (a) If all other partners in the partnership are
11 subsidiaries of the insurer or other insurance company
12 affiliates of the insurer;

13 (b) For the purpose of:

14 (i) Meeting cash calls committed to prior to
15 the effective date of this amendatory Act of 1997;

16 (ii) Completing those specific projects or
17 activities of the partnership in which the insurer
18 was a general partner as of the effective date of
19 this amendatory Act of 1997 that had been
20 undertaken as of that date; or

21 (iii) Making capital improvements to property
22 owned by the partnership on the effective date of
23 this amendatory Act of 1997 if the insurer was a
24 general partner as of that date; or

25 (c) In accordance with Section 126.3C;

26 (2) This subsection shall not prohibit a subsidiary or

1 other affiliate of the insurer from becoming a general
2 partner; ~~or~~

3 E. Invest in or lend its funds upon the security of shares
4 of its own stock, except as authorized by other provisions of
5 this Code. However, no such shares shall be admitted assets of
6 the insurer; ~~or~~

7 F. Unless otherwise authorized by the Office of Foreign
8 Assets Control in the United States Department of Treasury,
9 invest in an obligation or security of, make a guarantee for
10 the benefit of or in favor of, or acquire foreign currency of a
11 foreign jurisdiction if such jurisdiction is designated as a
12 state sponsor of terrorism by the United States Secretary of
13 State pursuant to Section 6(j) of the Export Administration
14 Act, Section 40 of the Arms Export Control Act, and Section
15 620A of the Foreign Assistance Act. If any investment made
16 pursuant to this Article later becomes prohibited by this
17 paragraph F, that investment shall not be retained as an
18 investment pursuant to this Article; or

19 G. Unless otherwise authorized by the Office of Foreign
20 Assets Control in the United States Department of Treasury,
21 invest in an obligation or security of, make a guarantee for
22 the benefit of or in favor of, or make other investments in a
23 business entity identified on the Specially Designated
24 Nationals List by the Office of Foreign Assets Control in the
25 United States Department of Treasury. If any investment made
26 pursuant to this Article later becomes prohibited by paragraph

1 F of this Section, that investment shall not be retained as an
2 investment pursuant to this Article.
3 (Source: P.A. 90-418, eff. 8-15-97.)".